

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) A computer-implemented method for determining a preferred set of prices for a plurality of products, comprising:
 - receiving a plurality of demand coefficients;
 - receiving cost data including activity-based costs; and
 - using the plurality of demand coefficients and the cost data to determine ~~determining~~ a preferred set of prices for the plurality of products that will provide ~~provided~~ a local optimum for the preferred set of prices, and wherein the local optimum for the preferred set of prices maximizes profit.
2. (Currently Amended) The method, as recited in claim 1, further comprising specifying a plurality of rules, and wherein the finding determination of the preferred set of prices[[,]]comprises:
 - determining a set of ~~optimizing~~ starting prices; and wherein the determination of the local optimum for using a grid method to determine the preferred set of prices for the plurality of products includes complying with the plurality of rules.
3. (Currently Amended) The method, as recited in claim 2, wherein the finding determination of the preferred set of prices[[,]] further comprises:
 - generating a sales model from the plurality of demand coefficients;
 - generating a cost model from the cost data, and wherein the activity-based costs include variable costs and fixed costs; and
 - generating a profit model from the sales model and the cost model, wherein the local optimum preferred set of prices is a local optimum of the profit model.

4. (Currently Amended) The method, as recited in ~~claim 2~~ claim 3, wherein the ~~determining~~ determination of the set of optimized starting prices[[,]] comprises:

- receiving a set of actual prices;
- initializing a set of incumbent prices to the set of actual prices; and
- applying the set of incumbent prices to the sales model and the cost model in an iterative manner until ~~optimized starting~~ the local optimum for the set of preferred prices ~~are~~ is reached.

5. (Canceled) A method for determining a preferred set of prices for a plurality of products, comprising:

- creating a sales model;
- creating a cost model;
- specifying a plurality of rules;
- determining the preferred set of prices based on the sales model, the cost model, and the plurality of rules.

6. (Canceled) An optimization engine, useful in association with an econometric engine for creating a sales model and a financial model engine for creating a cost model, the optimization engine comprising:

- a rule tool, which stores a plurality of rule parameters; and
- a price calculator connected to the rule tool, the financial model engine, and the econometric engine, wherein the price calculator determines a preferred set of prices based on rule parameters, the sales model, and the cost model.